

**DETERMINANT FACTORS OF INDEPENDENCE AND OBJECTIVITY OF
INTERNAL AUDITORS IN INDONESIAN GOVERNMENT
ORGANIZATIONS**



THESIS

Proposed for Eligibility of Bachelor Degree of Economics in Accounting Program
Faculty of Economics and Business (FEB) Universitas Sebelas Maret Surakarta

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ABSTRACT

DETERMINANT FACTORS OF INDEPENDENCE AND OBJECTIVITY OF INTERNAL AUDITORS IN INDONESIAN GOVERNMENT ORGANIZATIONS

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We examine the effects of auditors competence, auditor-auditee relationship, professional identification, top management support, and internal auditor-external auditor relationship towards internal auditors independence (Ahmad and Taylor, 2009) and objectivity (Muqattash, 2011) in Ministry of Finance and Ministry of Religious Affairs. Responses from questionnaires were collected from 204 respondents of internal auditors in both ministries. Using multiple linear regression model, we found that auditors competence and auditor-auditee relationship have a significant effect towards both independence and objectivity of the auditors, while top management support only affects auditors objectivity. The study shows different results for each ministry. Only auditor-auditee relationship that affects independence in both ministries, and only auditors competence that affects objectivity in both ministries. Thus, we agree that auditors competence and auditor-auditee relationship are two most important factors in determining both independence and objectivity of internal auditors in Indonesian government entities.

Keywords: Independence, objectivity, internal auditors, government entity, competence, Indonesia

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I hereby declare that this thesis is indeed my original piece of work, completed on my own or fully and specifically acknowledged wherever adapted from other sources. If I am proven doing plagiarism, any degree or credits awarded to me on the basis of that material may be revoked.

Surakarta, July 2017

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I realize that this thesis still has flaws because of the limited knowledge and experience of the researcher. Therefore, suggestions and feedback in improving the quality of this thesis will be highly appreciated. Lastly, I hope this thesis will be beneficial for any readers and for academic proliferation.

Surakarta, July 2017

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